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North argued with Pentagon to skirt covert aid procedure

By Bill Gertz
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Former National Security Council aide Lt. Col. Oliver North argued against using existing Pentagon procedures for funneling covert U.S. aid to Central America, according to congressional investigators.

At a March 1986 planning session involving a dozen U.S. intelligence and national security officials, Col. North got into a shouting match with

Defense Undersecretary Fred Ikle, who argued otherwise.

"North's stated intention [was] to ignore the established procedures for the conduct of covert action with respect to Central America," said one Senate aide.

"Ikle insisted that proper covert action procedures be followed and Ollie said it didn't work," said another aide. "The clear implication was that Ollie had already worked out his own system."

The meeting, held in Mr. Ikle's Pentagon office, was held in anticipation of congressional reauthorization of military aid to Nicaragua's anti-Marxist resistance.

Col. North, who was fired last week by President Reagan for masterminding a scheme to transfer profits from Iranian arms sales to the so-called Contra rebels, is being investigated by the Justice Department.

Details of the March meeting were revealed in an unrelated Senate Labor Committee investigation of the dismissal of Michael E. Pillsbury, who was fired in April from his Pentagon post for allegedly leaking information about shoulder-fired anti-aircraft missiles earmarked for Angola's anti-Marxist resistance.

Mr. Pillsbury, then Mr. Ikle's senior aide in charge of covert operations, apparently was dismissed not because of the leaks but because it was feared he would find out about secret U.S. arms sales to Iran, committee investigators said.

Vice Adm. John Poindexter, who resigned as national security adviser last week because of the Iran arms controversy, arranged for Mr. Pillsbury's dismissal, the committee aides said.

Sen. Orrin Hatch, Utah Republican and chairman of the Labor Committee, confirmed the investigation in a telephone interview.

"I really believe it [Mr. Pillsbury's dismissal] is related to the Poindexter-North controversy," Mr. Hatch said. "They believed that if Mike had found out about the Iran operation, he would have contacted the Senate Intelligence Committee."

"But that's not what he would have done at all," Mr. Hatch said. "He would have gone to [Defense Secretary Caspar] Weinberger and Ikle."

Mr. Hatch called Mr. Pillsbury's dismissal "a clear violation of due process completely in contravention of the constitutional law."

Mr. Pillsbury, in appealing his dismissal, was denied access to his own statements to investigators, and his request for a second polygraph

exam was denied, Mr. Hatch said. Moreover, Mr. Hatch said, he was not informed of the reasons for his dismissal as required by law.

Mr. Pillsbury declined to comment.

Committee investigators also said pressure from the Reagan administration caused the abrupt cancellation of a June 1985 fact-finding tour of Iraq by members of the Senate Intelligence Committee. The trip, organized by Mr. Pillsbury, was scheduled at the same time the NSC staff launched its secret diplomacy with Iran, which has been at war with Iraq since 1980.

Mr. Ikle, contacted at his home yesterday, said he did not recall the events of the March meeting.

Defense Department procedures for obtaining weapons used in paramilitary programs are classified and investigators would not say how the argument between Col. North and Mr. Pillsbury was resolved.

All U.S. weapons stockpiles are earmarked for various wartime contingencies, and Pentagon rules require that all requests for arms used in covert intelligence operations must pass through a secret system, congressional investigators said.

Covert arms transfers are thus carried out without leaving any traceable records or disclosing details about the intelligence operation.

Col. North "refused Ikle's request to coordinate requests for weapons

and intelligence support with Ikle and Pillsbury as called for by normal procedures," one aide said.

Senate investigators said they questioned senior Defense Department officials, including Defense Secretary Caspar Weinberger, as well as two staff members of the National Security Council.

Adm. Poindexter ordered the probe of Mr. Pillsbury following press reports of the Stinger anti-aircraft missile shipments to Angola, investigators said. The Defense Investigative Service conducted the probe of Mr. Pillsbury, which included a polygraph examination that led to his dismissal.

Mr. Hatch said he was considering a number of options as a result of the investigation and hopes that Mr. Pillsbury will be reinstated in his Pentagon post.

Brendan V. Sullivan, Col. North's attorney, declined to comment. Adm. Poindexter could not be reached.

Meanwhile, Senate investigators said Col. North allegedly circumvented Pentagon procedures by soliciting help from Richard L. Armitage, assistant secretary of defense for international security affairs, who reportedly approved four U.S. weapons shipments to Iran.

Retired Maj. Gen. Richard Secord, who once ran Air Force special operations and was familiar with the Pentagon's covert weapons policies, also worked with Col. North in obtaining U.S. weapons, they said.

A Pentagon spokesman said Mr. Armitage was unavailable for comment. Gen. Secord could not be reached.

Mr. Pillsbury, a former Rand Corp. analyst, now works as a staff aide to Mr. Hatch and Republican Sens. Gordon Humphrey of New Hampshire, Jesse Helms of North Carolina and Chic Hecht of Nevada.